

South Dakota Risk Pool Governing Board and Advisory Panel  
Governor's Large Conference Room  
Wednesday April 02, 2008

The South Dakota Risk Pool Board and Advisory Panel met on Wednesday, April 2, 2008 at 10:00 AM at the Capitol in Pierre, South Dakota.

Governing Board members in attendance included Chairwoman Kathi Mueller, Co-Chairman Tom Martinec, Denny Studer, Randy Moses, Dave Hewett and Janet Griffin. Advisory Board Members in attendance were Bob Clark, Senator Jason Gant, Dr. Tom Krafka, Cheryl Stone, Lonnie McKittrick, Rick Stracqualursi and Cindy Morrison representing David Link. Others in attendance included Melissa Kusser, Sandy Zinter, Jill Kruger, Mary Keeler, and Kamala Kittle.

First item on the agenda was the approval of the minutes from February 12, 2008 Board meeting and February 13, 2008 Board and Advisory meeting. Dave Hewett made a motion to approve the minutes and Randy Moses seconded. The motion passed unanimously.

**Administrator's Report**

Mary Keeler, BFM, presented the fund condition statement as of 3/31/08. Comparing claims to the same time frame as last year, Keeler indicated they are down \$ 543,000 and anticipate ending the year lower. Jill Kruger, BOP, presented reports on pharmacy and medical claims through February 2008, drug utilization, enrollment data and claim cost groups. In reviewing the information, there was discussion on specific prescriptions usage and the reasons people leave the Risk Pool. The group asked to have termination of coverage data available at the next meeting. There was brief discussion on the SB 200 group. Enrollment has closed for the second round and a new list of eligible persons should be available for Board approval at the May meeting. Kruger spoke on the redesign of the website, as well as moving it from a contractor's server to the state's server. The change should be completed by the end of April and the new address will be [www.riskpool.sd.gov](http://www.riskpool.sd.gov). Senator Gant questioned the cost of website change. At the conclusion of the administrators reports Hewett made the motion to accept the administrator's report. Martinec seconded. The motion passed unanimously.

**Old Business**

Denny Studer began discussions on the subcommittee work. He gave an overview of the contracts and expenses for the SD Risk Pool. With the contracts (third party administrators, pharmacy benefit manager and medical manager), he explained we were nearing the end of the first year of three year contracts. The contracted services are combined and bid with the State of South Dakota Employee Health Plan. Due to this, the small Risk Pool group is able to receive better contract rates. Senator Jason Gant questioned if the actuarially services are contracted. Janet Griffin commented that it would be unusual in the private industry to switch every year and too costly. Kruger discussed plan design changes involving the pharmacy benefit. She presented graphs and examples of individual carriers' pharmacy plans and other state risk pool plans. The

Advisory Panel would like to look at step therapy programs. Bob Clark brought to attention that the out of pocket max is different than many other plans. The group would like to see modeling for the fall meeting on the following: step therapy, co pay plans, increase out of pocket max, and higher coinsurance (65/35).

Melissa Kusser, DRR, gave a brief overview of the 2008 Legislation passed which affected the SD Risk Pool. House Bill 1318 is an act to provide options for those who elect continuation of health insurance. Senate Bill 112 is an act to revise eligibility requirements for continuation of health care coverage. This bill allows for an individual with 6 months of any type of prior creditable coverage to be eligible for continuation, not just those with prior group health coverage. Senate Bill 114 is an act to allow for risk pool eligibility and rate flexibility to certain health insurance conversion plans. Senate Bill 132 is an act to clarify provisions regarding the continuation of coverage after an employer ceases business operations. This bill will clarify eligibility for continuation pursuant to Chapter 58-18C. Each of the aforementioned bills was signed by the Governor and will be enacted on July 1, 2008.

Hewett spoke on legislation which stemmed from the Zaniya Project including transparency issues. The Health Care Commission was assigned the task of working on the Indian Health Care issues. There was a question regarding the Medicaid 3% increase and if it would be effective July 1<sup>st</sup> or October 1<sup>st</sup>. Keeler gave an overview of the Risk Pool budget for FY09.

### **New Business**

Keeler briefed everyone on the Legislative Audit for FY07. Copies of the audit were provided to all and the Risk Pool will be audited again for FY09.

Under Old Business, subcommittee update, Kusser stated the federal grant should be posted on Monday, April 7, 2008. She explained there were two parts to the grant: the operational losses and the bonus grant. It was suggested the risk pool apply for the bonus grant to add a vaccination benefit or to provide screening colonoscopies. The Board and Panel requested additional information on the cost and cost savings. Mueller requested a motion to apply for the grant and gather information in relation to the bonus grant. Hewett motioned and Griffin seconded. All approved.

After a break for lunch, Studer opened the discussion on a suggested plan change for FY09—preauthorization of out of state services. Information was presented on the cost of out of state claims for FY07. Currently if members do not have a service preauthorized, they experience a reduction to 50/50% coverage instead of 75/25%.

HCMT (Health Care Medical Technology) was asked to attend and present their FY07 Annual Report. In attendance were Dr. Rost, Larry Kucker, and Deb Prange. They reviewed their services which include utilization review, preauthorization of services, case management and disease management. Dr. Rost relayed some specific cost savings, indicated providers can preauthorize on line and expressed the need to closely watch

pharmacy trends and costs. There were specific questions on disease management program, specifically the weight management group.

After a short break to dismiss the HCMT attendees, the group discussed the information which had been presented. It was requested a medical management subcommittee be formed. Several members offered their services to assist with the subcommittee, including Janet Griffin, Dave Hewett and Dr. Krafka.

In reference to the proposed plan change requiring out of state preauthorization of services, Studer will provide the language regarding such at the May meeting.

Mueller asked for a motion to convene to Executive session to discuss appeal 2008-01. Randy Moses motioned, Hewett seconded. Motion carried.

Reconvening to the scheduled meeting, Griffin made a motion directing the administrators to move the claims processing of Monoclote to the medical side. Hewett seconded. Motion carried.

At approximately 3:00 PM, Hewett made a motion to adjourn. Studer seconded. Motion carried.